



# Michigan Economic Update

July 22, 2016

## Summary

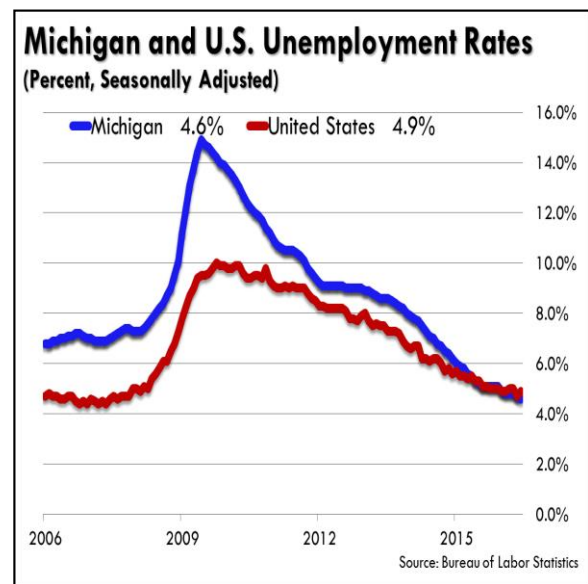
Nonfarm payroll employment in Michigan increased by 19,700 jobs and the unemployment rate fell to 4.6 percent in June according to data released by the Bureau of Labor Statistics (BLS).

## Michigan Unemployment Rate

During June, the unemployment rate in Michigan declined by 0.1 percentage point to 4.6 percent. The number of people counted as unemployed fell by 4,980 in June to 221,824, while the labor force fell by 30,626 to 4,837,472. Among the 50 states and the District of Columbia, 23 posted lower unemployment rates for the month than Michigan. A year earlier, the unemployment rate in Michigan stood at 5.3 percent.

The 10 year peak for the unemployment rate in Michigan was 14.9 percent in June 2009. The series high for the unemployment rate in Michigan occurred in December 1982 when the unemployment rate reached 16.5 percent. The 10 year low for the unemployment rate in Michigan was 4.6 percent in June 2016. The series low for the unemployment rate in Michigan occurred in March 2000 when the unemployment rate reached 3.2 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate rose by 0.2 percentage point to 4.9 percent in June. June's unemployment rate was 0.4 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



## Michigan Payroll Employment

Michigan nonfarm payrolls increased by 19,700 jobs, or 0.46 percent, on a seasonally adjusted basis during June. In the prior month, nonfarm payrolls declined by 20,400. Over the past 12 months nonfarm payrolls in Michigan increased by 91,500, or 2.16 percent. Michigan nonfarm payroll employment has increased in 10 of the past 12 months.

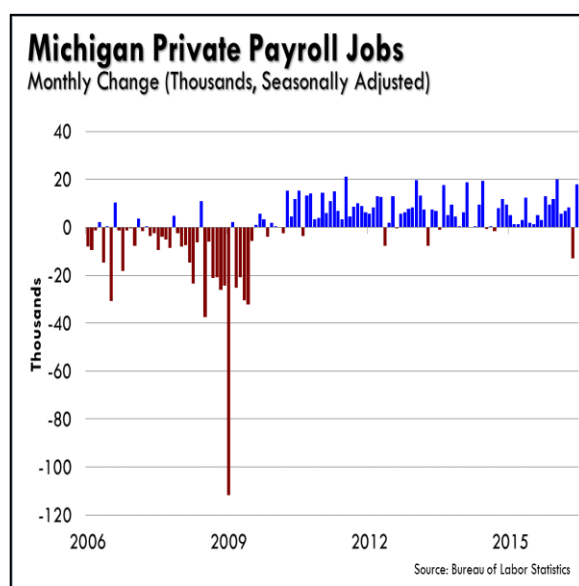
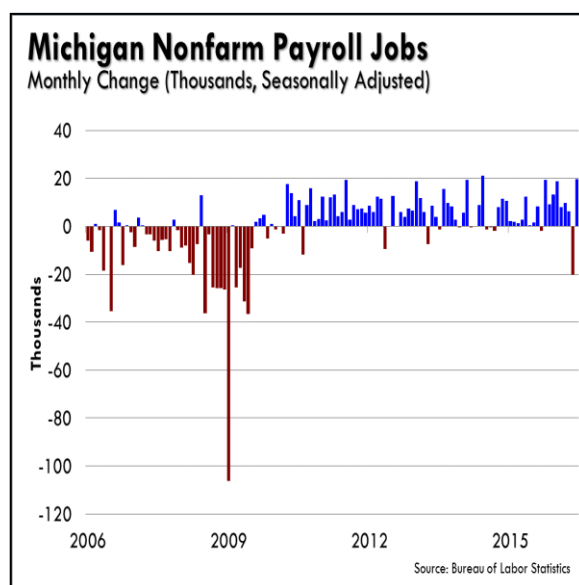
Nationally, nonfarm payrolls increased by 287,000 jobs in June, or 0.2 percent. Over the 12-month period ending June 2016 nonfarm payrolls grew by 2,451,000 jobs, or 1.73 percent. Michigan ranks 16th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During June, Michigan private sector payrolls increased by 18,000, or 0.48 percent. Private sector payrolls declined by 13,100 jobs in the prior month. Over the past 12 months, private sector payrolls in Michigan increased by 89,100, or 2.44 percent. Michigan private sector payroll employment has increased in 11 of the past 12 months.

Nationally private-sector payroll jobs increased by 265,000 jobs in 1.73, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,322,000 jobs in the private sector, an increase of 1.94 percent.

Michigan ranks 17th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During June, total government payroll employment in Michigan increased by 1,700, or 0.29 percent. Federal government payroll employment increased by 200, or 0.38 percent. State government payroll employment declined by 4,000, or 2.17 percent, while local government payroll employment increased by 5,500, or 1.54 percent.



Over the past year, total government payroll employment increased by 2,400, or 0.41 percent. State government payroll employment declined by 2,800, or 1.53 percent. Local government payroll employment increased by 4,000, or 1.12 percent.

The best performing sectors on a seasonally adjusted basis during June were Professional & Business Services (+4,200) and Educational & Health Services (+4,000). The poorest performing sectors during the month were Construction (-700) and Manufacturing (-500).

The best performing sectors during the last twelve months were Professional & Business Services (+27,500) and Educational & Health Services (+17,600). The poorest performing sectors for the year were Mining & Logging (-800) and Information (+1,600).

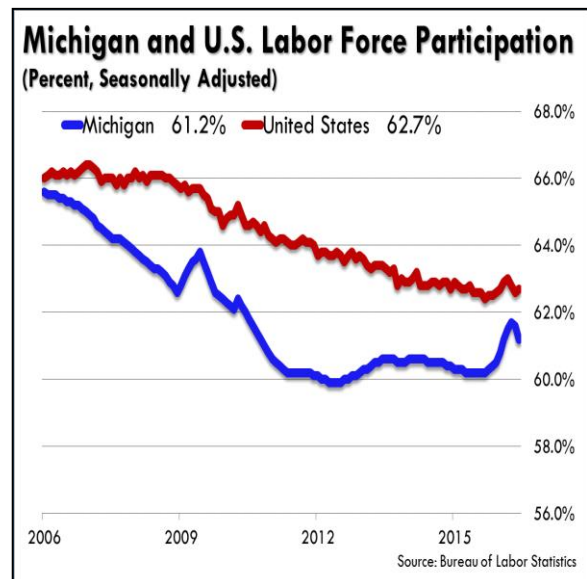
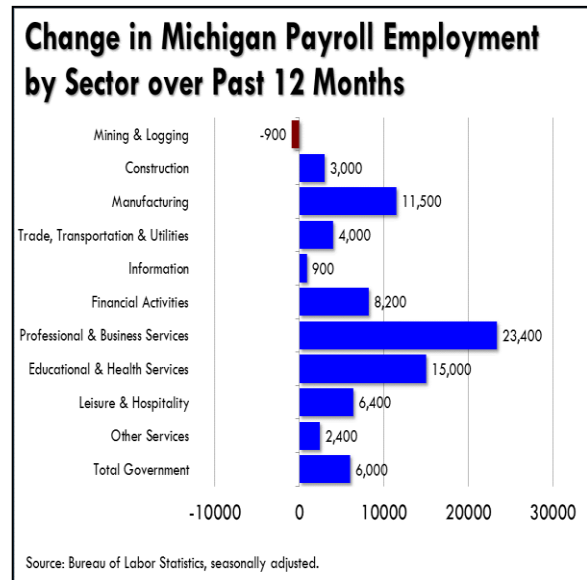
#### Other Michigan Labor Force Statistics

The labor force participation rate in Michigan declined to 61.2 percent in June from 61.6 percent the prior month. Among the 50 states and the District of Columbia, 38 have a higher labor force participation rate than Michigan. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Michigan was 65.3 percent in August 2006. The series high for the labor force participation rate in Michigan occurred in March 2000 when the labor force participation rate hit 69.0 percent. The 10 year low for the labor force participation rate was 59.9 percent in July 2012. This also represents the series low for the labor force participation rate in Michigan.

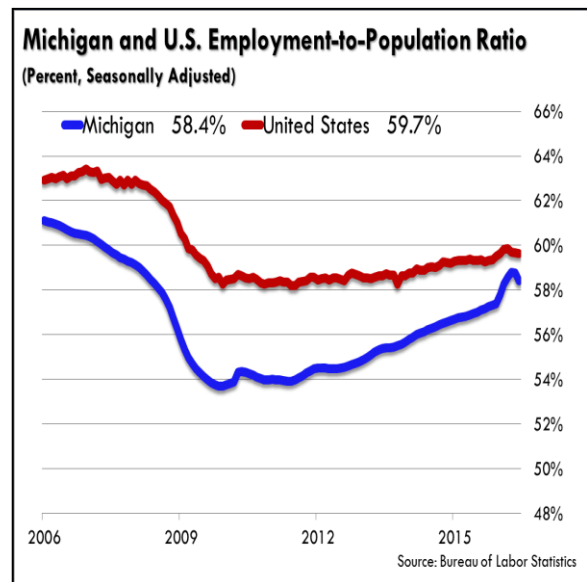
The national labor force participation rate rose by 0.1 percentage point to 62.7 percent in June, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Michigan civilian noninstitutionalized population 16 years and older counted as employed, declined to 58.4



percent in June from 58.8 percent the prior month. Among the 50 states and the District of Columbia, 38 have higher employment-to-population ratios than Michigan. The employment-to-population ratio in Michigan is 1.4 percentage points higher than a year earlier.

The 10 year high for the employment-to-population ratio in Michigan was 60.7 percent in July 2006. The series high for the employment-to-population ratio in Michigan occurred in March 2000 when the employment-to-population ratio hit 66.8 percent. The 10 year low for the employment-to-population ratio was 53.7 percent in December 2009. The series low for the employment-to-population ratio occurred in January 1983 when the employment-to-population ratio hit 53.2 percent.



The national employment-to-population ratio declined by 0.1 percentage point to 59.6 percent in June. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for July is scheduled for release on August 19, 2016. The national employment situation report for July will be released on Friday, August 5, 2016.